Michael O. Leavitt Governor Robert L. Morgan Executive Director Lowell P. Braxton Division Director 1594 West North Temple, Suite 1210 PO Box 145801 Salt Lake City, Utah 84114-5801 (801) 538-5340 telephone (801) 359-3940 fax (801) 538-7223 TTY

September 8, 2003

Subject: Second Notice - Delinquent Permit Fees, Further Mining is Suspended, Minerals

Regulatory Program

Dear Permittee:

Our records indicate that we have not received your annual permit fee payment(s) for the 2003 fiscal year, which was due July 25, 2003. Your fee is now over 30 days past due. Non-payment of permit fees suspends an operator's authorization to conduct exploration or mining operations until the permit fees have been received by this office. THEREFORE, YOUR AUTHORIZATION TO CONDUCT EXPLORATION OR MINING ACTIVITIES IS HEREBY SUSPENDED, UNTIL THIS BILLING REQUIREMENT IS RESOLVED.

Exploration or mining operations may resume upon our receipt of the required fees. Please return the enclosed "Delinquency Notice" with your payment to insure the money is posted to the correct account. If you have already sent in your payment, please accept our thanks and disregard this notice.

As you are aware, if you have reclaimed the project site and no longer wish to keep your permit active, you may check the box on the enclosed billing notice requesting a Division site inspection. This will suspend your fee payment until we can perform a site inspection. If our inspection shows that the site is stabilized and meets the 70% pre-mining revegetation success standard, then the project can be released and the case file closed. If the site is not satisfactorily reclaimed, you will be notified accordingly and the annual fee must be received within 30 days of the inspection date.

The annual permit fee(s) must be submitted to keep your <u>permit</u> in effect. An operator's failure to pay the required annual permit fee within 30 days of the due date, requires us to forward all delinquent billings to the Utah Office of Debt Collection. Late penalties and interest charges are subsequently assessed to the unpaid balance. This action may also result in permit revocation (cancellation) proceedings before the Board of Oil. Gas and Mining. *Cancellation of your permit will not release you from any outstanding reclamation requirements on the project area.*



Page 2 of 2 Second Notice 2003-2004 Permit Fees September 8, 2003

We hope to avoid taking any enforcement action regarding the fee payments. Please choose one of the following options: 1) submit your payment within 30 days; 2) check the box, if the site is reclaimed, requesting a site inspection; or 3) contact us immediately to explain the extenuating circumstances for non-payment.

If you have any questions regarding this letter, please contact me at (801) 538-5286 or Joelle Burns at 538-5291. Thank you for your immediate attention to this matter.

Sincerely,

D. Wayne Hedberg, Permit Supervisor

Minerals Regulatory Program
Division of Oil, Gas and Mining

&. Wayne Hedberg_

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Governor
Robert L Morgan
Executive Director
Lowell P Braxton
Division Director

1594 West North Temple, Surte 1210 PO Box 145801 Salt Lake City, Utah 84114-5801 801-538-5340 801-359-3940 (Fax) 801-538-7223 (TDD)

THE ZION PROSPECTOR 644 W 500 S HURRICANE UT 84737 9/8/03

ATTENTION: TODD HARRIS/MARLOW CROPPR

Annual Permit Fees (July 2003 thru June 2004)			
PROJECT ID	ACRES	BILLING DATE	
S270070	NA	06/27/2003	
PROJECT STATUS		ANNUAL FEE	
ACTIVE		\$ 150	
		\$ 150	
	PROJECT ID S270070 PROJECT STATUS	PROJECT ID ACRES S270070 NA PROJECT STATUS	

DUE DATE	AMOUNT DUE	
10/08/2003	\$ 150	

Please see enclosed instructions for payment.

Please retain this portion for your records. For billing Information call (801) 538-5291

This portion MUST be returned with your payment to ensure proper credit. THANK YOU

ACCOUNT BILLED		FOSSIL LEASE #42750			PROJECT ID S270070	
THE ZION PROSPECTOR						
DUE DATE ANNUAL FEE	AMOUNT DUE	FEE NOT ENCLOSED	Change of Address		ess	
10/08/2003 \$ 150	\$ 150	Permittee requests an inspection to close	Contact			
TAX ID OR SOCIAL SEC	CURITY #	out this permit.	Address			
DIVISION OF OIL		•				
1594 WEST NORTH TEMPLE SUITE 1210 PO BOX 145801		E-mail address State	Zip	, 4,		
SALT LAKE CITY	UT 84114-58	301	Phone	<u> </u>		
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Please make check payable to:
Division of Oil, Gas and Mining